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CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
2 November 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation
(Report #49 - As of 4:00 P.M. EST)

1. A carefully worded speech by Army Commander General Suharto on 30 October [redacted] spell out army policy toward Sukarno and the Indonesian Communist Party (PKI) for the immediate future.

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2. Suharto declared that the army would "unreservedly" respect Sukarno's decision to arrange a political settlement of the 30 September movement. He also stated that evidence now shows that the PKI was the "director or stage manager" of the 30 September affair. This is the first public statement by the army directly accusing the PKI of masterminding the coup attempt.

4. The crucial areas in anti-PKI activity are Central and East Java where the Communists have accumulated considerable strength among both military and civilian elements. These two provinces are also the principal rice surplus areas, and it is imperative that this rice be available for distribution elsewhere. Other than Central and East Java, and possibly North Sumatra the army is confident of its capability to cope with the PKI.

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7. In the latest move against Communist China, an army inspired demonstration was held on 1 November at the Chinese Communist Consulate in Medan, the capital of North Sumatra. After presenting the consulate with a petition protesting alleged support for the 30 September movement, the crowd tore down the Chinese flag and consular shield. The demonstrators also demanded the ouster of Foreign Minister Subandrio and North Sumatra's pro-Communist governor.

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